

NEW No.

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

April 23, 1986

No. 6-113A042
APR 23 1986

Date

Fee \$ 20.00

ICC Washington, D. C.

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303 are two fully executed copies each of a Fleet Rental Security Agreement dated April 18, 1986 and an Assignment of Lease - Full Recourse dated April 18, 1986, both of which are primary documents as defined in the Commission's Rules for the Recordation of Documents.

The railroad equipment covered by the enclosed documents is:

One (1) Used EMD SW-9 1200 Horsepower 120 ton diesel-electric Locomotive, Unit #1216, S/N 4114-4

One (1) Used EMD SW-9 1200 Horsepower 120 ton diesel-electric Locomotive, Unit #1236, S/N 4074-5

The names and addresses of the parties to the enclosed documents are:

Debtor/
Assignor: Inman Service Company, Inc.
115 North Main Street
Baytown, Texas 77520

Secured Party/
Assignee: C.I.T. Corporation
1333 West Loop South
Houston, Texas 77027

C. Kappler

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
April 23, 1986
Page Two

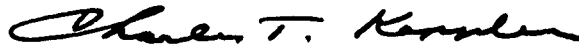
Also enclosed is a check in the amount of \$20 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy each of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary documents to appear in the Commission's Index is:

Fleet Rental Security Agreement dated April 18, 1986 and Assignment of Lease - Full Recourse dated April 18, 1986 between Inman Service Company, Inc., Debtor/Assignor, and C.I.T. Corporation, Secured Party/Assignee, covering two(2) Used EMD SW-9 1200 Horsepower 120 ton diesel-electric Locomotives.

Very truly yours,


Charles T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

4/23/86

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.

Alvord & Alvord

918 16th Street, N.W.

Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/23/86 at 1:15pm and assigned re-recording number(s). 14947 & 14947-A

Sincerely yours,


Secretary

Enclosure(s)



Fleet Rental Security Agreement

For use in all Uniform Commercial Code States.
See SPECIAL PROVISIONS INSTRUCTIONS on
the reverse side.

1. Grant of Security Interest; Description of Collateral.

The debtor grants to secured party a security interest in the equipment described below, along with all present and future attachments and accessories thereto and replacements and proceeds thereof, including amounts payable under any insurance policy, all hereinafter referred to collectively as "collateral": (Describe collateral fully including make, kind of unit, serial and model numbers and any other pertinent information.)

Inventory consisting of:

One (1) Used EMD SW-9 1200 Horsepower 120 ton diesel-electric Locomotive, Unit #1216, S/N 4114-4.

One (1) Used EMD SW-9 1200 Horsepower 120 ton diesel-electric Locomotive, Unit #1236, S/N 4074-5.

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2. What Obligations the Collateral Secures.

Each item of collateral shall secure not only the specific amount which the debtor promises to pay in Paragraph 3 below, but also all other present and future indebtedness or obligations of debtor to secured party of every kind and nature whatsoever. Consequently, the security interest granted by debtor to secured party shall continue effective irrespective of the payment of the amount in Paragraph 3, so long as there are any obligations of any kind, including obligations under guaranties or assignments, owed by debtor to secured party.

3. Promise to Pay; Promissory Note.

Debtor promises to pay secured party (i) the principal sum of \$92,832.37 plus (ii) interest and charges from the date hereof as set forth and as evidenced by a promissory note payable at secured party's office below, or at such other place as may be designated in writing to debtor by secured party from time to time. Debtor has executed and delivered a promissory note to secured party on the date hereof.

4. Collateral to Remain Personal Property; Location of Collateral.

The collateral shall remain personal property, not become part of the real estate regardless of the manner of affixation and be kept at

Union Carbide Corporation Taft Plant
Rivier Road Taft St. Charles Louisiana
Address City Parish State

Debtor will not remove any of the collateral from such location without prior written consent of secured party or as provided in Paragraph 7.

5. Special Provisions: (For use in ALABAMA, FLORIDA, GEORGIA, IDAHO, MARYLAND, NEW HAMPSHIRE and OREGON, see Special Provisions Instructions on reverse side.)

6. Debtor's Warranties, Representations and Agreements.

Debtor warrants and represents: that debtor is justly indebted to secured party for the full amount of the foregoing indebtedness and interest thereon; that debtor lawfully possesses and owns the collateral; that except for the security interest granted hereby the collateral is free from and will be kept free from all liens, claims, security interests and encumbrances; that no financing statement covering the collateral or any proceeds thereof is on file in favor of anyone other than secured party but if such other financing statement is on file, it will be terminated or subordinated; that all information supplied and statements made by debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequently to the execution of this security agreement are and shall be true, correct, complete, valid and genuine.

Debtor agrees: to defend at debtor's own cost any action, proceeding or claim affecting the collateral; to pay reasonable attorneys' fees and other expenses incurred by secured party in enforcing its rights against debtor under this security agreement; to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the collateral or this security agreement or said note and this obligation shall survive the termination of this security agreement; that if a certificate of title be required or permitted by law, debtor shall obtain such certificate with respect to the collateral, showing the security interest of secured party thereon, and in any event do everything necessary or expedient to preserve or perfect the security interest of secured party; that debtor will not misuse, fail to keep in good repair, secrete, or without the prior written consent of secured party encumber any of the collateral; that secured party may enter upon debtor's premises at any reasonable time to inspect the collateral and debtor's books and records pertaining to the collateral, and debtor shall assist secured party in making such inspection. This Agreement and all of the respective rights, duties and obligations of the parties hereto shall be governed by and construed under the laws of the State of Texas.

7. Rental of Collateral By Debtor. The debtor is engaged in the business of renting collateral of the kind described on the front of this security agreement. Both debtor and secured party intend debtor to rent this inventory collateral, but subject and subordinate to this security agreement and only in the regular course of business as debtor normally rents such inventory. Until default, debtor may rent the collateral or any part thereof in its regular course of business but subject to this security agreement. Upon such rental, debtor may remove the collateral to other locations, without prior consent of secured party but debtor shall report the location of the collateral to secured party monthly. Debtor hereby agrees that secured party shall at any time and from time to time have full access to and the right to inspect the collateral hereunder whether such collateral is located on debtor's premises or on the premises of any lessee to whom debtor has leased any or all of the collateral hereunder; that, in no event shall debtor remove or permit the collateral to be removed to a place other than the United States, exclusive of all Commonwealths, Territories and Possessions, without the written consent of secured party.

The additional terms and conditions on the reverse side are a part of this Security Agreement.

Dated: April 18, 1986

Secured Party C.I.T. CORPORATION

By [Signature] Title Asst Secy

1333 West Loop South
Address

Houston Texas 77027
City State Zip Code

If debtor is a partnership, enter:

Partners' names Home addresses

Debtor Inman Service Company, Inc.

By [Signature] Title Executive V.P.

115 North Main Street
Address

Daytown Harris Texas 77520
City County State Zip

Partners' names Home addresses

(Additional terms and conditions of Security Agreement)

8. Assignment of Rentals and Leases.

To further secure payment of all debtor's obligations under this agreement, debtor agrees:

- (a) **to assign** and hereby pledges and assigns any leases, rentals, accounts and contracts with respect to the collateral hereunder which may now exist or hereafter arise together with all rights thereunder and all rental and other payments and purchase options due and to become due thereunder;
- (b) **to mark** all such leases with a legend that they are subject and subordinate to this security agreement;
- (c) **to deliver** any and all such leases together with all other instruments requested by secured party to evidence and confirm the aforesaid pledge; and
- (d) **to file**, at secured party's request, UCC financing statements or otherwise perfect a first priority security interest against any such lessees; and to assign such financing statements to secured party. So long as debtor is not in default in the performance of any obligations hereunder, debtor may collect and retain all rental payments due and owing under such leases directly from such lessees, without notification of this pledge to such lessees. No lease of the collateral hereunder shall relieve debtor from any of its obligations to secured party hereunder.

9. Sale of Collateral by Debtor; Release of Lien.

The debtor may also be a seller engaged in the business of selling collateral of the kind described on the front of this security agreement. If debtor is a regular seller, it may sell the collateral or any part thereof in its regular course of business, on the conditions that the proceeds of sale of each item of collateral shall not be less than the amount of secured party's net investment in such item as determined by secured party plus interest and charges, and that debtor shall hold all proceeds of sale in trust for and shall account for and remit the proceeds to secured party immediately upon receipt. If such proceeds are not sufficient to pay all indebtedness and interest, secured party may apply proceeds as it may in its discretion determine. Until any default, debtor may procure the release of any item of collateral from this security interest upon payment to secured party of secured party's net investment in such item, as determined by secured party, plus interest and charges.

10. Insurance and Risk of Loss.

All risk of loss of, damage to or destruction of the collateral shall at all times be on debtor. Debtor will procure forthwith and maintain fire insurance with extended or combined additional coverage on the collateral for the full insurable value thereof for the life of this security agreement plus such other insurance as secured party may specify, with an insurance company acceptable to secured party and promptly deliver each policy to secured party with a standard long form endorsement attached showing loss payable to secured party or assigns as respective interests may appear. Secured party's acceptance of policies in lesser amounts or risks shall not be a waiver of debtor's foregoing obligation.

11. Events of Default; Acceleration.

A very important element of this agreement is that debtor make all its payments promptly as agreed upon. Also essential is that the collateral continue to be in good condition and adequate security for the indebtedness. The following are events of default under this agreement which will allow secured party to take such action under this Paragraph and under Paragraph 12 as it deems necessary.

- (a) any of debtor's obligations to secured party under any agreement with secured party is not paid promptly when due;
- (b) debtor breaches any warranty or provision hereof, or of said note or of any other instrument or agreement delivered by debtor to secured party in connection with this or any other transaction;
- (c) debtor dies, becomes insolvent or ceases to do business as a going concern;
- (d) it is determined that debtor has given secured party substantially false information regarding its financial condition;
- (e) any of the collateral is lost or destroyed;
- (f) a petition in bankruptcy or for arrangement or reorganization be filed by or against debtor or debtor admits its inability to pay its debts as they mature;
- (g) property of debtor be attached or a receiver be appointed for debtor;
- (h) whenever secured party in good faith believes the prospect of payment or performance is impaired or in good faith believes the collateral is insecure;
- (i) any guarantor, surety or endorser for debtor dies or defaults in any obligation or liability to secured party or any guaranty obtained in connection with this transaction is terminated or breached.

If Debtor shall be in default hereunder, the indebtedness herein described and all other indebtedness then owing by debtor to secured party under this or any other present or future agreement (collectively, the "indebtedness") shall, if secured party shall so elect, become immediately due and payable. In no event shall the debtor upon demand by secured party for payment of the indebtedness, by acceleration of the maturity thereof or otherwise, be obligated to pay any interest in excess of the amount permitted by law. Any acceleration of indebtedness, if elected by secured party, shall be subject to all applicable laws, including laws relating to rebates and refunds of unearned charges.

12. Secured Party's Remedies After Default; Consent to Enter Premises.

Upon debtor's default and at any time thereafter, secured party shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable laws, including the right to any deficiency remaining after disposition of the collateral for which debtor agrees to remain fully liable. Debtor agrees that secured party, by itself or its agent, may without notice to any person and without judicial process of any kind, enter into any premises or upon any land owned, leased or otherwise under the real or apparent control of debtor or any agent of debtor where the collateral may be or where secured party believes the collateral may be, and disassemble, render unusable and/or repossess all or any item of the collateral, disconnecting and separating all collateral from any other property and using all force necessary. Debtor expressly waives all further rights to possession of the collateral after default and all claims for injuries suffered through or loss caused by such entering and/or repossession. Secured party may require debtor to assemble the collateral and return it to secured party at a place to be designated by secured party which is reasonably convenient to both parties.

Secured party will give debtor reasonable notice of the time and place of any public sale of the collateral or of the time after which any private sale of the collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of debtor shown herein at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling and the like shall include reasonable attorneys' fees (at least 15% of the unpaid balance if not prohibited by law) and other legal expenses. Debtor understands that secured party's rights are cumulative and not alternative.

13. Waiver of Default; Agreement Inclusive.

Secured party may in its sole discretion waive a default, or cure, at debtor's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this security agreement or related note shall bind secured party unless in writing signed by secured party. No oral agreement shall be binding.

14. Financing Statements.

If permitted by law, debtor authorizes secured party to file a financing statement with respect to the collateral signed only by secured party, and to file a carbon, photograph or other reproduction of this security agreement or of a financing statement.

15. Miscellaneous.

Debtor waives all exemptions. Secured party may correct patent errors herein and fill in such blanks as serial numbers and the like. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. Debtor acknowledges receipt of a true copy and waives acceptance hereof. If debtor is a corporation, this security agreement is executed pursuant to authority of its Board of Directors. "Debtor" and "secured party" as used in this security agreement include the heirs, executors or administrators, successors or assigns of those parties; but nothing herein shall authorize debtor to assign this security agreement. If more than one debtor executes this security agreement, their obligations under this security agreement shall be joint and several.

SPECIAL PROVISIONS INSTRUCTIONS – The notations to be typed in the Special Provisions section on the reverse side are shown in the applicable state pages of the Loans and Motor Vehicles Manual.

Acknowledgment of Fleet
Rental Security Agreement

49738

STATE OF TEXAS §
 § SS:
COUNTY OF HARRIS §

On this 18th day of April, 1986 before me personally appeared, H. Marshall Hennington, to me personally known, who being by me duly sworn, says that (s)he is the Assistant Secretary of C.I.T. Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Denise Ramsey
(Signature of notary public)

My Commission expires: DENISE RAMSEY
Notary Public, State of Texas
My Commission Expires July 22, 1989
Bonded by Lovett Agency, Lawyers Surety Corp.

STATE OF TEXAS §
 § SS:
COUNTY OF HARRIS §

On this 18th day of April, 1986 before me personally appeared, Vivian Inman, to me personally known, who being by me duly sworn, says that (s)he is the Executive Vice President of Inman Service Company, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Betty J. West
(Signature of notary public)

My Commission expires: 2/25/88